

To: Executive Directors  
Service Coordination Supervisors  
Early Intervention Supervisors

From: Linda C. Veldheer, Ph.D.  
Office of Policy  
South Carolina Department Disabilities and Special Needs

Subject: **Medicaid Managed Care Expansion**

Date: January 28, 2011

Please review the accompanying Medicaid Bulletin issued 1/12/11 and related eligibility charts.

South Carolina Department of Health and Human Services (SCDHHS, the State Medicaid Agency) is approved by the federal government to expand required participation in a Medicaid managed care plan. Beginning March 2011, participation in a Managed Care Organization (MCO) or a Medical Homes Network (MHN) will be required for most people newly enrolled in Medicaid and phased-in for most existing Medicaid participants following their annual review. People eligible for a MCO or MHN who do not make a selection will be automatically assigned to one. Medicaid fee-for-service will no longer be an option, except for those in the "Voluntary Choice" categories.

Being in a Medicaid MCO or MHN requires participants to have a Primary Care Physician (PCP) from a limited network of physicians. The PCP provides/coordinates the participant's basic health care funded through Medicaid State Plan and must preauthorize specific tests, treatments, therapies, referrals to specialists, and hospitalizations. Some of the MCOs offer benefits beyond the Medicaid State Plan, such as additional prescriptions, smoking cessation classes, dental benefits for adults, etc. MHNs are primarily for people with a chronic medical condition such as asthma, COPD, diabetes, hypertension, cardiovascular disease, etc. In addition to a PCP, a nurse case manager assists with managing the condition and coordinating necessary care. As of March 2011, South Carolina will have four (4) MCOs and three (3) MHNs available to Medicaid participants.

Once enrolled for the first time in a Medicaid MCO or MHN, whether by choice or assignment, people have 90 days in which to choose a different MCO or MHN. After the 90 day period expires or the person has made one change, there is a "lock-in" period during which changes can be made only with "just cause" requiring special approval by SCDHHS. People can make a change without cause at the time of their annual managed care anniversary.

**Exceptions to mandatory participation in a Medicaid MCO or MHN:**

- People who reside in an ICF-MR or NF cannot be in a MCO or MHN, but are assigned to Medicaid fee-for-service.
- People enrolled in any Home and Community Based Waiver program (including all Waiver programs operated by SCDDSN) cannot be in a MCO. They may choose between a MHN and Medicaid fee-for-service. If no selection is made, they will be assigned to fee-for-service. *Once enrolled in a MHN, the guidelines indicated above apply for moving to a different MHN. To return to fee-for service, there must be "just cause" requiring special approval by SCDHHS, or people must wait until their annual managed care anniversary to request it.*

- People dually eligible for Medicare and Medicaid cannot be in a MCO. They may choose between a MHN and Medicaid fee-for-service. If no selection is made, they will be assigned to fee-for-service. *Once enrolled in a MHN, guidelines previously indicated apply for moving to a different MHN. To return to fee-for service, there must be “just cause” requiring special approval by SCDHHS or participants must wait until their annual managed care anniversary to request it.*
- TEFRA children (payment category 57) may choose among Medicaid fee-for-service, a MCO, or a MHN. If no selection is made, they will be assigned to fee-for-service. *Once enrolled in a MCO or MHN, guidelines previously indicated apply for moving to a different MCO or MHN. To return to fee-for service, there must be “just cause” requiring special approval by SCDHHS or participants must wait until their annual managed care anniversary to request it.*

### **Services “carved out” of managed care plans:**

People in a MCO or MHN can also access some Medicaid State Plan services without preauthorization by their PCP because the benefits are not included in the managed care plans. These include Targeted Case Management (SCDDSN Service Coordination and Early Intervention Case Management), Early Intervention Family Training, Children’s Private Duty Nursing, Children’s Personal Care Aide, and Rehabilitative Behavioral Health Services (HASCI Rehabilitation Supports). SCDDSN and our providers can continue to authorize these for designated Medicaid participants.

The SCDHHS initiative to expand Medicaid managed care is called **“South Carolina Healthy Connections Choices”**. Information is available on the program’s website ([www.scchoices.com](http://www.scchoices.com)). This website can be used to learn about all managed care options and how to easily enroll in one. All aspects of the Medicaid managed care programs are described on the SCDHHS website ([www.scdhhs.gov](http://www.scdhhs.gov)) under the heading “Benefits Plan”. Both websites provide information about specific benefits available from the MCOs and MHNs. They also indicate what hospitals and doctors participate in the plans. SCDHHS has a telephone assistance line at 803/898-4614 for people who are experiencing a problem with their MCO or MHN.

Most SCDDSN consumers who are not in an ICF-MR or Waiver program, especially those in Level 2 Service Coordination and/or on waiting lists, will be affected by mandatory enrollment in a Medicaid MCO or MHN. While many people can benefit from a MCO or MHN, selecting one of these options or being automatically assigned will likely result in having to find new health care providers.

If ICF-MR placement becomes available for a person in a MCO or MHN, he or she must be disenrolled from the MCO or MHN prior to ICF-MR placement. If a Waiver slot becomes available for a person in a MCO, he or she must be disenrolled from the MCO prior to Waiver enrollment. These situations will also likely result in having to find new health care providers. A person in a MHN does not have to be disenrolled from the MHN prior to enrolling in a Waiver program.

It is important that our consumers and their families understand the implications of enrolling in a Medicaid managed care option or being automatically assigned. They should be advised to be very careful in making a decision that could result in having to use different doctors and other health care providers. Some people will need help to understand the notices they get from SCDHHS and South Carolina Healthy Connections Choices. A few may need direct assistance to determine what managed care option is best for their situation. Some of the managed care plans have their own advertising and promotions that could prompt a hasty or misguided decision.

Please share this information right away with relevant staff, particularly Service Coordinators and Early Interventionists. They should be directed to become very familiar with the South Carolina Healthy Connections Choices and SCDHHS websites noted above.

You may contact me by telephone (803/898-9789) or E-mail ([LVeldheer@ddsn.sc.gov](mailto:LVeldheer@ddsn.sc.gov)) if you have questions or can offer additional information about this topic.

Cc: Waring; Lacy; Davis; Priest; Mewbourn; Syphertt; Koon; Goodell; Buster; King; Shealy; Britt; Ritchie